



COSTA MESA SANITARY DISTRICT MINUTES OF BOARD OF DIRECTORS SPECIAL MEETING JUNE 23, 2004

The Board of Directors of the Costa Mesa Sanitary District attended a duly noticed Special Meeting on June 23, 2004 at 8:00 a.m., in Conference Room 1A at the Civic Center, 77 Fair Drive, Costa Mesa.

Directors Present: Arlene Schafer, James Ferryman, Arthur Perry, Dan Worthington

Staff Present: Robin B. Hamers, Manager/District Engineer; Thomas A. Fauth, Assistant Manager; Joan Revak, Clerk of the District; Alan Burns, General Counsel; Marc Puckett, Treasurer

Others Present: Wendy Davis, CBIZ Accounting, Tax & Advisory of Orange County, Inc.

Cynthia King, 826 S. Yellowstone Way, Anaheim Hills

I. Public Comments

There were no public comments made.

II. CMSD Administrative and Personnel Rules and Regulations

Mr. Hamers advised the Board of Directors the Administrative and Personnel Rules and Regulations mirror those of the City of Costa Mesa. Mr. Burns confirmed he has reviewed the Personnel Rules and Regulations, however, he requested approval of the Administrative Regulations be continued until a future date. Mr. Fauth noted the Personnel Rules establish a two-tier system in which those presently employed with the District will have vested rights to their job and do not have to serve a probationary period. New employees serve at the pleasure of the employer, the Costa Mesa Sanitary District.

Director Worthington motioned to approve the Personnel Rules and Regulations and to continue the Administrative Regulations until a later date. Director Perry seconded. Motion passed 4-0.

III. Agreement with Accountant Cynthia King

An Agreement with Cynthia King to provide Accountant services to the District through June 30, 2004 was presented. Director Perry motioned to ratify the Agreement subject to District Counsel review and approval as to form. Director Worthington seconded. Motion passed 4-0.

IV. Progress on Items Pertaining to New CMSD Headquarters

Mr. Hamers gave an update on progress on items pertaining to the new CMSD Headquarters. Bids were invited from construction contractors to perform tenant improvements to the building. Two bids came in; one of the bidders was unable to provide a Bond and was, therefore, disqualified. Mr. Fauth presented an Agreement with Cirks Construction to perform tenant improvements at 628 West 19th Street, Costa Mesa, California as part of the rehabilitation of a building to be used as District headquarters. The Contractor agrees to commence the work to be performed under this Agreement within five days of receipt of the "Notice to Proceed" and to diligently prosecute the work to completion before the expiration of 60 calendar days. Director Worthington motioned to approve the Agreement with the stipulation that in consideration for granting additional time to complete the job, the Board requests the liquidated damages be revised to \$250.00 per calendar day. Director Perry seconded. Motion passed 4-0.

Director Ferryman motioned to approve agreement with the Gas Company to provide service to the building at 628 West 19th Street. Director Perry seconded. Motion passed 4-0.

Director Ferryman motioned to ratify agreement with TRC for software and installation in an amount not to exceed \$75,000 subject to review and approval as to form by District Counsel. Director Perry seconded. Motion passed 4-0.

V. Workers Compensation Insurance

Ms. Davis presented documents from the Special District Risk Management Authority (SDRMA) to provide Workers Compensation coverage for the District. After the end of one year, SDRMA will reevaluate the cost based on the District's trend of claims. Director Worthington motioned to approve Resolution 2004- 684, approving the form of and authorizing the execution of a fifth amended joint powers agreement and authorizing participation in the Special District Risk Management Workers' Compensation Program. Director Perry seconded. Motion passed 4-0

Director Ferryman motioned to approve Resolution No. 2004-685, authorizing application to the Director of Industrial Relations, State of California for a Certificate of Consent to Self Insure Workers' Compensation Liabilities. Director Worthington seconded. Motion passed 4-0.

VI. Audit by Conrad & Associates

A request was made to Conrad and Associates to prepare the CMSD audit for 2003-04. Staff will work with City of Costa Mesa Staff and in December CMSD will make arrangements to have final audit performed.

Director Ferryman motioned to approve Audit by Conrad & Associates at a cost not to exceed \$6,300, subject to an acceptable legal relationship determination by District Counsel. Director Perry seconded. Motion passed 4-0.

VII. Agreement for Banking Services

Ms. Davis advised the Board that proposals for banking services were requested from two banks. The District already has a relationship with Bank of America through services currently provided through the City of Costa Mesa and B of A also provided additional incentives.

Director Worthington motioned to ratify agreement with Bank of America to provide banking services to the District. Director Perry seconded. Motion passed 4-0.

VIII. Agreement for Payroll Services

Ms. Davis reported that payroll services through Paychex and CBIZ Accounting Services were investigated. The District will be able to perform their own payroll services after completing training, beginning in January 2005.

Director Ferryman motioned to approve agreement with Paychex for payroll services subject to review and approval as to form by District Counsel. Director Perry seconded. Motion passed 4-0.

IX. Health Benefit Providers

Ms. Davis reported a number of health benefits proposals have been investigated by District Staff. Presently, CalPERS through the City of Costa Mesa covers Staff. Further investigation into other health plans is advised, however, continued health benefits for District Staff is required. Director Worthington suggested obtaining coverage through CalPERS for approximately six months while a market survey is be completed.

Director Perry motioned to approve the CalPERS benefit package and adopt CMSD Resolution No. 2004-686, Electing to be subject to Public Employees' Medical and Hospital Care Act and Fixing the Employer's Contribution for Employees and the Employer's Contribution for Annuitants at Different Amounts. Director Worthington seconded. Motion passed 4-0.

President Schafer adjourned the meeting at 9:59 a.m.

Secretary

President